

PAGES 1 - 31

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable Jon S. Tigar, Judge

LAURI VALJAKKA,	)	
	)	
Plaintiffs,	)	
	)	
VS.	)	<b>NO. 4:22-cv-01490-JST</b>
	)	
NETFLIX, INC.	)	
	)	
	)	
Defendants.	)	
_____	)	

San Francisco, California (via Zoom)  
Thursday, May 8, 2025

**TRANSCRIPT OF REMOTE PROCEEDINGS**

**APPEARANCES:**

For Plaintiff:

**IN PRO PER**

For Defendant Netflix:

Perkins Coie LLP  
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San Francisco, CA 94105

**BY: SARAH E. PIEPMEIER, ATTORNEY AT LAW**

For Nonparty William P. Ramey:

Ramey LLP  
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**BY: WILLIAM P. RAMEY, III**

Also Present: Audrey Stano, Netflix

REPORTED REMOTELY BY: April Wood Brott, CSR No. 13782  
Official United States Reporter

1 **Thursday - May 8, 2025**

**2:06 P.M.**

2 **P R O C E E D I N G S**

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4 **THE COURTROOM DEPUTY:** The U.S. District Court is now  
5 in session, the Honorable Jon Tigar presiding. Calling Civil  
6 Case Number 22-1490-JST, Valjakka versus Netflix Inc.

7 Parties, please state your appearances, beginning with the  
8 plaintiff.

9 **MR. VALJAKKA:** Hello. I'm Lauri Valjakka.

10 **THE COURT:** Hello, Mr. Valjakka.

11 **MS. PIEPMEIER:** Your Honor, Sarah Piepmeier from  
12 Perkins Coie on behalf of Defendant Netflix, and not on video  
13 but with me today is Netflix's principal counsel, Audrey Stano.  
14 Thank you, Your Honor.

15 **THE COURT:** Good afternoon.

16 **MR. RAMEY:** Good afternoon, Your Honor. Bill Ramey  
17 for nonparty William P. Ramey and Ramey LLP. We're ready to  
18 proceed, Your Honor.

19 **THE COURT:** Welcome. The matter's on calendar for two  
20 things this afternoon. One is much bigger than the other. One  
21 of them is Netflix's motion for sanctions and for an order to  
22 show cause re contempt, and the other is to discuss the status  
23 of discovery.

24 Ms. Piepmeier filed a status report on discovery a couple  
25 of days ago, and in it she lays out the facts, and she

1 concludes by saying that Netflix and Plaintiff Valjakka will be  
2 prepared to discuss whether the remaining discovery can be  
3 completed on the remaining schedule or not and whether some  
4 adjustment might be necessary. I thought it might make sense  
5 just to get it out of the way and talk about that before we  
6 turn to the bigger question of the motion.

7 So Ms. Piepmeier, let me start with you, and then Mr.  
8 Valjakka, I'll hear whatever you have to add.

9 **MS. PIEPMEIER:** Thank you, Your Honor.

10 We have received -- I'm not going to get into all the of  
11 the details of the EDVA proceeding, unless Your Honor is  
12 interested, but the upshot is we've received over a hundred  
13 thousand documents in the past few weeks, which we are making  
14 our way through. The current close of fact discovery is May  
15 26th, 2025. There are two or so depositions remaining to be  
16 taken, but obviously we would like to have reviewed, or at  
17 least searched, as many of those documents as possible before.

18 So and we have, I should say, met and conferred with  
19 Mr. Valjakka on this, but what we would propose, if the Court  
20 is amenable to it, is extending the fact discovery deadline to  
21 July 2nd -- we had originally thought a little bit earlier than  
22 that, but Mr. Valjakka provided some input that July 2nd would  
23 be better for him -- and to have our dispositive motion hearing  
24 deadline be September 22nd with a pretrial conference statement  
25 due mid-December.

1 I understand that's triggered off of the date of the  
2 pretrial conference, which is obviously triggered by Your  
3 Honor's calendar. So we would certainly be flexible in that  
4 regard, but essentially what we're looking at is moving the  
5 fact discovery cutoff approximately five weeks and then having  
6 dispositive motion practice later this summer and early this  
7 fall and then setting up whatever's convenient for Your Honor  
8 to the extent that there needs to be a pretrial conference.

9 **THE COURT:** Okay. I can respond to that in just a  
10 moment.

11 Mr. Valjakka, has what Ms. Piepmeier said -- is that  
12 correct, everything that she said?

13 **MR. RAMEY:** Yes. Yes, Your Honor.

14 **THE COURT:** Okay. Well, I don't have a problem  
15 extending the discovery cutoff. There's good cause for me to  
16 make that order. There's a lot of material still to get  
17 through, and July 2nd seems like a perfectly fine date. I've  
18 not pulled up the scheduling order that I issued before on my  
19 screen. Typically I set a dispositive motion -- well, I do. A  
20 hearing deadline. That's right. Okay. So I apologize. I'm  
21 just coming from something else, an event I was speaking at; so  
22 I'm a little bit at cross purposes.

23 Anyway, yeah. So I'm happy to set a hearing deadline of  
24 September 22nd. At the moment, I think it would be the 20 --  
25 oh, I take it back. September -- it would be on a Thursday,

1 and the 25th actually happens to be a court retreat. All the  
2 judges will be sitting in a conference room talking about court  
3 rules and things like that. So we could go to go to October  
4 2nd and make that the hearing deadline.

5 **MS. PIEPMEIER:** Your Honor, speaking on behalf of  
6 Netflix, I believe that is fine. I would love the opportunity  
7 to consult with my client and co-counsel, if that's acceptable,  
8 and we could file something promptly after we do that.

9 **THE COURT:** My suggestion is this, just because I want  
10 to avoid having too many back and forth communications between  
11 you, the Court, Mr. Valjakka, your client because there are  
12 other dates we need to set also -- pretrial conference, a  
13 trial, and I need to ensure that there's sufficient distance  
14 between the pretrial conference and the summary judgment  
15 hearing date so we can get the work done and you can know what  
16 the Court's ruling is before you're preparing for trial, and  
17 then I need to make sure I'm available on that date.

18 So my proposal would be why don't I just start with  
19 October 2nd as a hearing date, issue an amended scheduling  
20 order, you can see it, Mr. Valjakka can see it, and then if you  
21 have any concerns about the dates or they need to be adjusted,  
22 that's fine. Just get in touch with the Court. We can have a  
23 case management conference. We can move the dates. My hunch  
24 is that the dates will be fine, and then no one will have  
25 anything further to do.

1           **MS. PIEPMEIER:** Thank you, Your Honor. I just  
2 confirmed the most important date, which is I'm not running the  
3 Chicago Marathon until the following week. So at least I  
4 should be good.

5           **THE COURT:** Very good.

6           **MS. PIEPMEIER:** I'll let my client speak for herself,  
7 but thank you, Your Honor. That sounds perfect.

8           **THE COURT:** All right. Mr. Valjakka, is October 2nd  
9 okay with you as a hearing date?

10          **MR. RAMEY:** Yes, Your Honor.

11          **THE COURT:** Okay. Terrific. So as I said, I'll start  
12 with that, I'll issue an amended scheduling order, and then we  
13 can take care of any amendments to that order later if we need  
14 to.

15          Mr. Valjakka, you're welcome to stay if you want to watch  
16 the hearing involving Mr. Ramey. It's still your case,  
17 although you're not, I don't think, directly affected by that  
18 motion, so -- but that's what we're going to do now. We're  
19 going to turn to that motion.

20          **MR. VALJAKKA:** Thank you, Your Honor.

21          **THE COURT:** And I've read the papers. So I think I'm  
22 prepared for the hearing today.

23          Ms. Piepmeier, it's your motion. You can go first.

24          **MS. PIEPMEIER:** Thank you, Your Honor. I'm going to  
25 try not to repeat anything that is in the papers, and I'm going

1 to try to keep this brief.

2 Mr. Ramey claims that this entire dispute, kerfuffle, is  
3 much ado about nothing, but in the 20 years that I've been  
4 practicing in this district, I have never once come across a  
5 situation where opposing counsel purposely provided  
6 documents -- confidential documents, technical documents,  
7 financial documents, source code -- to a third party.

8 I've never seen that happen. I've never even read a case  
9 where that happened before. The closest case we have found is  
10 the Apple/Samsung disputes. Those are close, but those don't  
11 reach this level. And Netflix is treating this as a big deal  
12 because it is a big deal.

13 Now, let me start with just a few facts that are not in  
14 dispute, or at least that I believe I think are not in dispute.  
15 Things have changed a little bit as we've gone through  
16 briefing, but I understand these facts to not be in dispute:  
17 First, Mr. Ramey repeatedly disclosed Netflix confidential  
18 information to a third party over the course of approximately a  
19 year, at least a year.

20 This was not inadvertent. This was not a mistake. In  
21 *Apple-Samsung*, as Your Honor may know, this began with a  
22 mistake of failed redaction. This did not begin as a mistake  
23 or end as a mistake. Second, Mr. Ramey apparently viewed AiPi  
24 as his co-counsel, and yet he never mentioned them to Netflix  
25 until over two years into this litigation, and he apparently

1 never told them to appear as counsel.

2 Or actually, I don't know if he told them, but they never  
3 appeared as counsel. Mild footnote on that, which I'll come to  
4 in a second. As far as we know, he never asked them to sign on  
5 to the protective order until after we raised this issue to him  
6 years into the litigation when we discovered it, and it took  
7 him over a month to even respond to our email when we  
8 discovered the disclosure, the improper disclosure. That is  
9 not consistent with taking this seriously. That is not  
10 consistent with "Oh, this was a mistake."

11 Now, why is this a big deal? Let me go back to that.  
12 This is a big deal for two reasons, other than the fact that  
13 it's somewhat shocking in that it was purposeful. The first  
14 reason it's a big deal, Your Honor, is that AiPi, this  
15 organization and individuals associated with it, is a  
16 litigation funder. It's not a law firm, although lawyers work  
17 there or worked there. I don't even know who's still there at  
18 this point. This is not co-counsel.

19 This is not me, Sarah Piepmeier, Perkins Coie, working  
20 with Baker Botts as co-counsel. This is Mr. Ramey working with  
21 a litigation funder. Their business is to find lawsuits,  
22 underwrite them, and sue companies such as Netflix. And the  
23 concern here isn't just, "Oh, AiPi is going to have access to  
24 some Netflix confidential information, which they shouldn't  
25 have for purposes of this suit, and it might influence how they



1 view continuing to fund or settlement" or whatever it is that  
2 they're able to do.

3 The issue, Your Honor, is that they are still to this day  
4 looking for new lawsuits to underwrite, and they have  
5 confidential information about Netflix's financials, technical  
6 information, and source code that could influence their  
7 decision to underwrite new cases or that could inspire them to  
8 bring new cases. That's a really big deal, and that is a very,  
9 very different scenario from just kind of an improper  
10 disclosure to another set of lawyers.

11 The second reason, Your Honor, is that most of the  
12 individuals that we know about are patent prosecutors. So  
13 they're wearing a bunch of hats at AiPi. They're lawyers,  
14 they're doing some kind of legal work, although they're not a  
15 law firm.

16 They're litigation funders, and they're patent  
17 prosecutors, and they now have access to Netflix's technical  
18 information and source code while they are prosecuting patents.  
19 That's the precise reason we have a Prosecution Bar in the  
20 protective order. They've never signed on to that. For all we  
21 know, they are prosecuting patents right now directly to read  
22 on Netflix's technology. Your Honor, this is egregious.

23 Now, the timeline of all of this suggests that this wasn't  
24 a mistake. This was an intentional desire to withhold the  
25 identify of AiPi from Netflix. And I've actually prepared a

1 brief timeline that I think would be helpful to show. Would it  
2 be okay, Your Honor, if I put that up on the screen?

3 **THE COURT:** That's fine.

4 **MS. PIEPMEIER:** Okay. This is the only slide I have,  
5 and it will be brief. The last thing I want to do is show a  
6 bunch of slides.

7 So, Your Honor, what we have here is a timeline that is  
8 showing the litigation, salient litigation events and the  
9 disclosures. Now, we know from the documents that we've seen  
10 that these disclosures occurred for approximately or at least,  
11 I should say, a year from late -- from August 2022 through July  
12 2023. That is the main period during which Netflix was  
13 producing confidential information. Nobody mentioned AiPi to  
14 us at all until the fall of 2023.

15 The only -- we didn't even know they existed. So the idea  
16 that we knew or somehow, you know, agreed that they were  
17 receiving Netflix confidential information is frankly  
18 preposterous. But I want to point out a few dates that I think  
19 are really significant here that show the intent to hide AiPi,  
20 which obviously then hid the fact that they had this  
21 information.

22 The first, Your Honor, is that the local Rule 315  
23 certificate that Valjakka filed when this case was transferred  
24 didn't include AiPi. We had no idea that they were in any way  
25 involved. It did include the Ramey firm. It did not include

1 AiPi.

2 We started producing documents after that. We produced  
3 source code. How did we first learn that AiPi was even a  
4 thing, that it was an entity? We learned it because they  
5 produced documents in Finnish, a whole bunch of Finnish  
6 documents, and we just had them translated because we didn't  
7 know what they were. In Mr. Valjakka's deposition on June 1st,  
8 2023, we asked him what is this AiPi, and he said, "It's my  
9 litigation funder."

10 Nobody ever said, "Oh, they're my counsel," or, you know,  
11 that didn't spur them, for example, to amend their Local 315  
12 certification to add AiPi. In fact, they did amend it, but  
13 they didn't add AiPi at that point. So it's still being hidden  
14 from us. We first find out in October of 2023 that AiPi  
15 actually has lawyers that are somehow involved when the whole  
16 CUVTA dispute starts.

17 And Mr. Ramey mentions them in an email in response as Mr.  
18 Valjakka's counsel representing him. He never says, "Oh,  
19 they're going to be, you know, accessing Netflix's confidential  
20 information." And then interestingly, Your Honor, on October  
21 25th, 2023, Joe Zito, who is somehow affiliated with AiPi and  
22 Whitestone Law, files a pro hac to represent Mr. Valjakka.

23 The very next day, Your Honor, the Court issued an order  
24 to show cause why that shouldn't be withdrawn because there was  
25 no local counsel within California to serve as his sponsor. So

1 he withdraws that. So at that point we certainly have no  
2 reason to believe that anyone affiliated with AiPi is appearing  
3 in this case, is accessing Netflix's confidential information.

4 **THE COURT:** Let me ask you a question, because I don't  
5 recall having seen it addressed in the papers filed by either  
6 side, and I'm not even sure it's relevant, but I recall  
7 sometime in the -- around the beginning of 2024, January or  
8 February, there was a hearing in which the question was whether  
9 Whitestone Law should be disqualified from representing AiPi,  
10 and I sort of had to go around the mulberry bush a little bit  
11 with Mr. Zito, but he eventually conceded that there was a  
12 conflict, that AiPi and Mr. Valjakka had become adverse, and  
13 he, I think, really wanted me not to grant the motion because  
14 he just wanted to withdraw it. But anyway, I granted the  
15 motion.

16 Does that play into this somehow? Because Zito's -- you  
17 know, does that -- I mean, if it does play into it, it makes it  
18 worse. I'm just not sure how it plays into it.

19 **MS. PIEPMEIER:** So, Your Honor, this is part of the  
20 confusion. I think Your Honor is hitting on part of the  
21 confusion that we've had all along, which is what is AiPi, what  
22 type of entity is it, what lawyers are associated with it, and  
23 what are their interests. Whom are they representing, if  
24 anyone?

25 And at first we thought, for one day at least, that Joe

1 Zito was representing Mr. Valjakka because he filed a pro hac,  
2 and then he withdrew it after Your Honor issued the order to  
3 show cause. Then he files a pro hac for AiPi, and we were  
4 interacting with him as AiPi's counsel. That is how we  
5 understood his role in the CUVTA dispute.

6 Now, you're right, Your Honor. At some point during that  
7 fall, his interests became -- or their interests -- his  
8 interests. I don't know whether to say his or theirs because I  
9 don't even know what the full entity --

10 **THE COURT:** Right, because it was a finger -- it had  
11 become a finger-pointing exercise regarding who might have to  
12 pay any CUVTA --

13 **MS. PIEPMEIER:** Well --

14 **THE COURT:** -- damages, I think.

15 **MS. PIEPMEIER:** Well, and beyond that, Your Honor, for  
16 the forthcoming fees motion, yes, but I think it does make it  
17 worse, Your Honor, to answer your question directly, because  
18 our understanding is that there was, at least by that point --  
19 just don't know when it happened -- an adversity between Mr.  
20 Valjakka and AiPi. And so if that is the case, the idea that  
21 these materials of Netflix were being disclosed seems even more  
22 ridiculous because how could they have been counsel for Mr.  
23 Valjakka?

24 The reason that I footnote that a little bit, Your Honor,  
25 is that the adversity didn't exist ab initio. The adversity

1 became apparent at some point, and so if --

2 **THE COURT:** Right.

3 MS. PIEPMEIER: And so if the disclosures happened  
4 earlier, I can't impute some kind --

5 **THE COURT:** I think, yeah. Just to interrupt you and  
6 myself in the thought process, I think pursuing that line of  
7 inquiry further would require figuring out whether there was an  
8 -- whether there became an independent duty of disclosure of  
9 some kind once the adversity became known. And we don't have  
10 the people in front of us or the facts that would be required  
11 to follow up on that, so I'll just leave it alone.

12 **MS. PIEPMEIER:** Okay. Thank you, Your Honor. And  
13 I'll be brief on finishing this timeline.

14 My point in this is that throughout the entire period  
15 where Netflix was providing confidential information, it didn't  
16 even know who AiPi was. When it did find out who AiPi was, we  
17 understood that they were a litigation funder. And then in the  
18 fall of 2023, after we had produced everything and when we were  
19 basically doing summary judgment briefing, we were introduced  
20 to certain people affiliated with AiPi as counsel for Mr.  
21 Valjakka, but we're never told that they are going to be  
22 accessing confidential information.

23 And I want to make one point. Mr. Ramey points out in his  
24 opposition that we should have known because, you know, there  
25 were a bunch of them at Mr. Valjakka's second deposition, which

1 was in the fall of 2023. That is true, Your Honor, and in  
2 fact, I still have in my mind, from watching that on Zoom, a  
3 mental image of the conference room with a whole bunch of AiPi  
4 lawyers -- or people -- I don't know who they were -- sitting  
5 around.

6 Here's the difference: It's one thing to say, "I have,  
7 you know, counsel who's representing my interests." It's  
8 another thing for them to appear in a lawsuit and sign on to  
9 the protective order. I viewed that at the time, Your Honor,  
10 as akin to how I sometimes have in-house counsel sitting in on  
11 a client's deposition. That doesn't mean they have the right  
12 to access the other side's confidential information. They're  
13 there for their own sides's confidential information.

14 And they were relevant to CUVTA, not to Netflix, right?  
15 They were on the Valjakka, Ramey, AiPi, CUVTA side of things,  
16 not on the Netflix side of things. So there's absolutely no  
17 way that that put us on notice that our confidential  
18 information would be produced in any way or had been  
19 disseminated.

20 The thing that I find most telling, Your Honor, is that we  
21 had years -- years -- when we could have learned about this,  
22 when they could have followed the appropriate procedures.  
23 Frankly, we would have objected had we known. There is no way  
24 in the world Netflix would have said, "Oh, yeah. Please go  
25 ahead and share this information with a litigation funder."

1 That's just preposterous.

2 The moment we found out about this in late December over  
3 the holidays, we instantly emailed Mr. Ramey and everyone, and  
4 then we met and conferred pursuant to the Court's rules, and  
5 then we filed this motion. The idea that we had known about  
6 this for a year is preposterous. And even if we had, it can't  
7 undo the harm.

8 So let me go, Your Honor, to what we think should be done  
9 at this point. And I'll take down the timeline because I know  
10 that that can be distracting.

11 **THE COURT:** On the "what should be done" point, let me  
12 ask you a question. If I were concerned that, quote, "all  
13 documents and communications between Ramey LLP and AiPi related  
14 to this action" were overbroad, what would you think about  
15 adding to that phrase the words "that contain, refer to, or  
16 relate to discovery of any kind produced by Netflix"? And  
17 beyond the question of what you would think about that, the  
18 question would be if you don't like it, what relevance does it  
19 not reach?

20 **MS. PIEPMEIER:** Your Honor, thank you for that. What  
21 I think it doesn't reach is communications with experts, draft  
22 expert reports. Maybe that's implicit in what Your Honor's  
23 talking about, but we understand that essentially AiPi was on  
24 the phone with and sharing information with Mr. Ramey and  
25 experts.



1 And so I want to make sure it's not just discovery that  
2 Netflix produced but the analysis thereof. That, as Your Honor  
3 knows, is what was at issue in *Apple-Samsung*. It was an expert  
4 report. And I want to make sure that sort of information would  
5 be covered.

6 **THE COURT:** If the expert...

7 **MS. PIEPMEIER:** Perhaps it is implicitly, but, you  
8 know, we'd like to be explicit.

9 **THE COURT:** What if I were to add the phrase "or rely  
10 upon" so that an expert has relied upon or incorporated  
11 Netflix's discovery in her work?

12 **MS. PIEPMEIER:** Yes.

13 **THE COURT:** So then it would say that "contain, refer  
14 to, relate to, or rely upon discovery of any kind produced by  
15 Netflix."

16 **MS. PIEPMEIER:** I think that is appropriate, Your  
17 Honor.

18 **THE COURT:** All right. You should finish your  
19 argument about remedy then.

20 **MS. PIEPMEIER:** Okay. Thank you, Your Honor.

21 So the first thing, Your Honor, is we do think there  
22 should be an order to show cause on civil contempt. I'll set  
23 that aside that we've already said that. That's obviously Your  
24 Honor's decision.

25 We do think, as we said in our motion, that our fees in

1 bringing this motion and investigating it would be appropriate.  
2 We can't itemize them because I'm still arguing about this  
3 right now, and to the extent that there's any remedial  
4 information that we need to look at, we think that would be  
5 included.

6 We also think, Your Honor, that it would be appropriate  
7 for us to, after the production, have a half-day deposition of  
8 Mr. Ramey. We believe that anyone who has received this  
9 Netflix confidential information who has not signed on to the  
10 protective order needs to do so immediately and needs to be  
11 bound by it, including the Prosecution Bar. That's obviously  
12 of vital importance to Netflix.

13 I will say, Your Honor, I'm not sure -- the Prosecution  
14 Bar exists in the protective order -- it would serve that  
15 purpose. One thing that I am concerned about here is I don't  
16 know what to do about the litigation funding piece. Part of  
17 me, Your Honor -- and Your Honor will probably see this as  
18 overbroad, but I would like to have an injunction prohibiting  
19 AiPi from bringing any kind of a suit against Netflix for a  
20 period of time.

21 **THE COURT:** You don't request that relief, so I don't  
22 have anything to say about it.

23 **MS. PIEPMEIER:** Okay. Thank you, Your Honor.

24 We also -- I'm sorry. You look like you're about to  
25 speak. I don't mean to interrupt you.

1           **THE COURT:** I'm not.

2           **MS. PIEPMEIER:** Okay. We also think that referral to  
3 the State Bar would be appropriate for the improper disclosure  
4 by Mr. Ramey and anyone else who provided that information.  
5 And Your Honor may have seen that in the recent order from  
6 Judge Kang in the Koji matter, similar certification  
7 requirement.

8           **THE COURT:** Yes, I'm aware of Judge Kang's order.

9           **MS. PIEPMEIER:** That, Your Honor, would be the relief  
10 we're requesting at this time. Obviously I don't know, to the  
11 extent Your Honor orders any discovery, what that might entail,  
12 but at this point, this is what we know about.

13           **THE COURT:** Thank you, Ms. Piepmeier.

14           Mr. Ramey?

15           **MS. PIEPMEIER:** Thank you, Your Honor.

16           **MR. RAMEY:** Yes. Good afternoon, Your Honor. Bill  
17 Ramey again for William Ramey and Ramey LLP.

18           I want to, if I could, Your Honor, start with the  
19 protective order, start with docket Number 56, and while we  
20 thought we had a good faith basis in sharing the information  
21 that we did, we felt that the lawyers -- we're not talking  
22 about AiPi being an entity that received documents. We dealt  
23 with lawyers on that side.

24           We, in fact, had a partnership, working relationship, with  
25 the lawyers that are in AiPi, which were Eric Morehouse; Erik

1 Lund; Ken Sheets; Weir King; and later on, Joe Zito. Those are  
2 the only lawyers we ever dealt with and gave the Netflix  
3 confidential information to. Those are the ones we worked  
4 with.

5 And if you go back to document Number 56, Your Honor, it  
6 -- outside counsel is defined as attorneys who are not  
7 employees of a party to this action but are retained to  
8 represent or advise a party to this action and have appeared in  
9 this action on behalf of that party or affiliated with the law  
10 firm that has appeared on behalf of that party.

11 And so we always felt that those lawyers were affiliated  
12 with my firm because there was a connected operation, connected  
13 services that we were providing for Valjakka. And as this  
14 court is aware, Mr. Valjakka has submitted declarations of  
15 evidence to this court that he felt that Eric Morehouse, Erik  
16 Lund, Ken Sheets, Weir King, and Joe Zito each were his his  
17 lawyers and he knew they were involved in the case.

18 So this is not a -- this is -- this isn't a question of us  
19 giving dockets to an elusive funder, but I do of course make  
20 that argument even if we did, just that AiPi is a separate  
21 entity. They were providing litigation support services that  
22 would be covered as apparent exclusive protective order as  
23 well.

24 So we felt we have a good faith and reasonable  
25 interpretation of the protective order that was entered by this

1 court just because it fits within the affiliated language, we  
2 always felt. We never hid anything from Netflix about this. I  
3 want to --

4 **THE COURT:** Is there any magic, Mr. Ramey, to the  
5 part, to the phrase "of record"? I did pull up the protective  
6 order onto my screen, clicked away and looked at it briefly.  
7 It's quite dense, so I obviously did not read it while you were  
8 arguing, but I did see that the term "outside counsel" is  
9 defined. But I also see that attorneys' eyes only material are  
10 only to be disclosed to outside counsel, quote, "of record,"  
11 and I wonder if you could tell me what the significance of that  
12 phrase is, since "record" -- since the R in "record" is  
13 capitalized, it's obviously a defined term.

14 **MR. RAMEY:** Yes, Your Honor. So how we felt with that  
15 was his outside counsel of record. So outside counsel though  
16 is -- of record -- I just read you that definition, Your Honor.  
17 That was the affiliated -- the language that had that  
18 "affiliated" in it. That comes directly from, Your Honor,  
19 document Number 56 at 3.

20 **THE COURT:** I see. And so -- oh, that's right. So  
21 there's a paragraph, 2.11, on page 3 of the document which says  
22 "outside counsel of record" or, quote, "attorneys who are not  
23 employees of a party to this action but are retained to  
24 represent or advise a party to this action and have appeared in  
25 this action on behalf of that party" -- oh, I see -- "or are

1 affiliated with the law firm which has appeared on behalf of  
2 that party."

3 And your contention is that they were affiliated with you?

4 **MR. RAMEY:** Yes, or even affiliated with Whitestone  
5 Law. We heard Ms. Piepmeier bring up that they had no idea  
6 that Whitestone Law might have had access to material, but they  
7 appeared for the deposition of Mr. Valjakka.

8 **THE COURT:** What is it about their having appeared at  
9 a deposition that automatically would lead a careful lawyer to  
10 conclude that you had shared source code and Netflix financial  
11 documents with them? These are not matters -- I ask that  
12 question because, of course, these are not matters within Mr.  
13 Valjakka's knowledge, so it's unlikely to arise at the  
14 deposition.

15 **MR. RAMEY:** Yes, Your Honor, but we, in fact, did  
16 disclose in October of 2023. I think that's --

17 **THE COURT:** Right. That's a separate matter. I'm  
18 asking you about a question about an argument you made in your  
19 papers and that you just made to me, which is the fact that  
20 these lawyers who were sitting at your client's deposition  
21 should have told Netflix that you had disclosed their  
22 documents. And I'm asking you again what is it about those  
23 circumstances that would lead someone to draw that inference?

24 **MR. RAMEY:** Your Honor, I'm simply going off of what  
25 the protective order says for what it -- what is outside

1 counsel and who's permitted to see the information. We didn't  
2 -- that's all I'm going off of. I'm just my reasonable --

3 **THE COURT:** Fair enough.

4 **MR. RAMEY:** -- what I believed was reasonable.

5 **THE COURT:** Fair enough. So is the argument that any  
6 time other lawyers beyond those who are signatories to a  
7 protective order -- if any lawyers, other lawyers, surface  
8 during the litigation, that the other side should reasonably  
9 conclude that those lawyers also got access to attorneys' eyes  
10 only documents even if that fact is not stated?

11 **MR. RAMEY:** Your Honor, I think that's maybe a little  
12 bit broader than I would go. Here, we weren't trying to hide  
13 them. We felt they fit within the definition of "affiliated,"  
14 and of course -- as there's been a lot of testimony before this  
15 court how we worked with AiPi and how -- what then later on --  
16 who were the Whitestone lawyers. The simple fact that they  
17 carry an AiPi email address seems to be what Netflix is  
18 concerned about, that AiPi got their information. And I can  
19 guarantee -- and I've tried to be very transparent with  
20 Netflix.

21 And then on top of that, Your Honor, if we could go to  
22 paragraph 15 of my declaration submitted in support of our  
23 response, I have spoken to each of these lawyers -- Eric  
24 Morehouse, Ken Sheets, Weir King, and Erik Lund -- and they've  
25 all verified that they have treated the material subject to the

1 terms of the protective order. So there's -- that removes the  
2 harm aspect that we're talking about.

3 **THE COURT:** I don't -- I don't -- I'm not sure that  
4 Netflix is required to show harm. But putting that to one  
5 side, do you disagree with the principle that one of the  
6 reasons that parties who are going to divulge information enter  
7 into protective orders is so that they will be aware of who has  
8 their information? Do you disagree with that as a general  
9 principal?

10 **MR. RAMEY:** No, Your Honor. I agree with that a  
11 hundred percent.

12 **THE COURT:** Okay.

13 **MR. RAMEY:** And so we would assume -- and it was our  
14 interpretation of the contract that, because we were working  
15 with four affiliated -- what we considered the affiliated  
16 lawyers, that's why we shared the information with them. We've  
17 gone out of our way to try to reassure Netflix, since they made  
18 us aware, that there wasn't any improper use of that material.  
19 We think we provided that assurance.

20 I would like to touch on that, if I may, Your Honor, a few  
21 things Ms. Piepmeier brought up. She says that they notified  
22 me and it took a month with us to get back with them. I was  
23 out of town in Fort West, Texas over the -- on December 30th.  
24 I don't even think I read the email until about a week later,  
25 and then of course the first thing I did was try to figure out



1       what's going -- you know, what's the issue here.

2               So I contacted at the time Eric Morehouse's lawyer in  
3       Virginia, and that's how I became aware of the matters that  
4       were going on in Virginia. So I did start my investigation,  
5       and I got back with them three weeks after that initial email  
6       from them, which I think is very reasonable, considering the  
7       allegations they were making.

8               And I got back and I said, "Look, here's what I'm going to  
9       identify." I went through everything. I found out, "Okay.  
10      Here's another person that" -- Weir King -- he was the lawyer  
11      we hadn't originally included on there. So I made them aware  
12      that he had also received that information. So we've tried to  
13      work with them at every step along the way.

14              I have not asked them to sign a -- well, I may have, but  
15      they have not signed the protective order at this point. But  
16      if the -- if that would solve this issue for the Court, I'm  
17      welcome to go back to them and ask if they'll sign the  
18      acknowledgement on a protective order. They've all put forward  
19      in declarations, even Gary Morehouse in a separate one, that he  
20      has --

21              **THE COURT:** Mr. Ramey, I think that horse has already  
22      left the barn.

23              **MR. RAMEY:** Pardon me, sir?

24              **THE COURT:** You asked if I wanted these other lawyers  
25      to sign the protective order. I said I think that horse has

1 already left the barn.

2           **MR. RAMEY:** Oh. Your Honor, and I don't think there's  
3 been any harm shown here. And if we go back to the case that  
4 we cited at the start, the -- the case -- it's *Life*  
5 *Technologies vs. Biosearch*. It's 2012 Westlaw 6160039. It  
6 relies on the principal case, the *In Re Crystal Palace* case,  
7 that any -- indeed, if there is civil contempt found of a  
8 breach of this court's protective order, they're stuck with the  
9 damages of their actual harm they've experienced from the  
10 result to this, and it shouldn't be a fishing expedition. They  
11 shouldn't be able to get damages that are --

12           **THE COURT:** Mr. Ramey.

13           **MR. RAMEY:** -- broader than the actual harm.

14           **THE COURT:** I've got enough to do in this case. I'm  
15 not likely to issue an order to show cause re contempt. I just  
16 don't think I need to. I mean, I don't want to give away the  
17 ruling, but let's assume for the sake of argument that I'm  
18 going to grant Netflix's motion for sanctions under Rule 37  
19 and, if I thought it were appropriate, refer you to the State  
20 Bar or this court's professional practice committee, which is a  
21 separate decision I need to make, I think, outside of this  
22 motion.

23           I don't know why on earth I would then pursue contempt  
24 proceedings, which is just a lot more work for everybody. I  
25 think -- I'll just say coming into this hearing, I think

1 Netflix made a pretty good argument that its material was  
2 improperly disclosed, and they're not required to show harm. I  
3 think they have. I don't think having people affiliated with a  
4 litigation funder look at Netflix's source code is a situation  
5 of no harm.

6 But anyway, I don't think they're required to show harm,  
7 and I think that if that's the ruling I wind up sticking with,  
8 that attorneys fees as a sanction are going to be appropriate,  
9 and I have a feeling that those attorneys fees are going to be  
10 very substantial. So I don't think you -- I guess what I'm  
11 telling you is until I tell you otherwise in this hearing, I  
12 don't think you need to argue contempt. I just don't think I'm  
13 going there.

14 **MR. RAMEY:** Yes, Your Honor.

15 So to go back to what we were trying to base this on was  
16 what we did to the protective order was we just had a good  
17 faith interpretation of what we thought the term "affiliated"  
18 meant when it was attached to the outside counsel. I didn't go  
19 any further than looking at docket Number 56 and what I felt  
20 was within the terms of the protective order.

21 And we didn't try to -- we didn't try to hide anything  
22 from Netflix or in any other way not be forthright with them.  
23 In fact, we've done -- since they raised their concern with us,  
24 we've done everything we can to show them that their -- that we  
25 didn't use, that there wasn't improper use of material, if they

1       felt it was an improper disclosure to show there was no  
2       improper use.

3               And we think we've done that. As each of the Netflix --  
4       or each of the -- what they're calling AiPi lawyers and I'm  
5       calling the Whitestone lawyers -- Eric Morehouse, Erik Lund,  
6       Ken Sheets, and Weir King -- have already agreed to be bound by  
7       the terms of the protective order. I don't think that it does  
8       show any further harm for what Ms. Piepmeier is concerned about  
9       on the Prosecution Bar.

10              I think that they've all testified, they've all put  
11       evidence before the Court that they would be bound by those  
12       terms, and I don't think that the -- that therefore that  
13       further harm can be shown by that if there was shown to be a  
14       technical breach of the protective order and that I shouldn't  
15       have read the affiliated language to cover the lawyers Eric  
16       Morehouse, Erik Lund, Ken Sheets, and Weir King.

17              Now, with regards to this court's question of whether or  
18       not referral to the State Bar or the disciplinary regulators --  
19       I don't think that would be appropriate because this was a good  
20       faith, a reasonable -- we tried to interpret the term  
21       "affiliated" what we thought would fit within there. So it was  
22       our belief, and we don't -- it wasn't bad faith that was  
23       attached to this. There was no bad faith.

24              And we didn't give the documents, in our minds, to AiPi as  
25       a litigation funder. In our minds, the way AiPi funds

1 litigation is they merely set up separate entities that are in  
2 control of that. Eric Morehouse, Erik Lund -- they don't --  
3 they're not involved in that at all. They're simply involved  
4 in providing the litigation support services that I've talked  
5 about in numerous filings with this court. So in our mind,  
6 AiPi -- there's -- it's not a litigation funder they're dealing  
7 with. We're dealing with litigation support services, as Erik  
8 Lund testified about in his declaration.

9 And then the -- on top of that, the partnership that we  
10 had, that we worked with the lawyers themselves was for  
11 providing the technical support for our firm to be able to  
12 prosecute the case. And then that's really all I can say with  
13 that, Your Honor. It was just our good faith, what we thought  
14 was a good faith and reasonable interpretation of the term  
15 "affiliated."

16 Thank you, Your Honor.

17 **THE COURT:** Thank you, Mr. Ramey.

18 Ms. Piepmeier, you're ahead on points, and I think  
19 I -- in my comments to Mr. Ramey, I signaled pretty clearly  
20 what the Court's ruling was likely to be. With that  
21 background, is there anything further you want to add?

22 **MS. PIEPMEIER:** Your Honor, I'm going to test my luck,  
23 and I'm going to just say two quick things very, very briefly.

24 First of all, Your Honor, if Mr. Ramey's interpretation of  
25 Section 2.11 of the protective order were correct, any law firm

1 could be affiliated, any law firm at all. That's just not  
2 reasonable.

3 Second of all, Your Honor, the idea that "Oh, I was  
4 disclosing this information to them as lawyers, not as a  
5 litigation funder." You know, "Just ignore the fact that  
6 that's what their email address is," is absolutely ludicrous  
7 when it's the same people who are acting in both capacities.  
8 They can't just take off their litigation funder hat and say,  
9 "Today I'm a lawyer."

10 So with that, Your Honor, I will rest. Thank you.

11 **THE COURT:** Mr. Ramey, is there anything you'd like to  
12 say just in response to Ms. Piepmeier's two quick comments?

13 **MR. RAMEY:** Yes, Your Honor.

14 It's just simply that it's not uncommon that lawyers  
15 sometimes do have more than one business that they work with,  
16 and so I don't think -- I think the simple fact that they might  
17 have -- that we were transacting with an AiPi email address  
18 doesn't mean that the documents were going into the funding  
19 part of the business. That -- like as I said, that was  
20 separately -- there was a separate LLCs that they worked with.  
21 This -- Eric Morehouse, Erik Lund, Ken Sheets, and Weir King  
22 were providing the litigation support services that I was using  
23 and working with on Mr. Valjakka's case.

24 And with that, thank you, Your Honor.

25 **THE COURT:** Thank you, Mr. Ramey. This motion is now

1 under submission. Thank you.

2 (The proceedings concluded at 2:47 P.M.)

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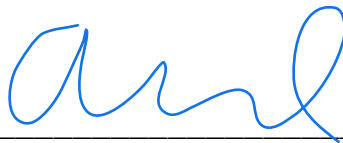
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CERTIFICATE OF REPORTER

I certify that the foregoing is a correct transcript from  
the record of proceedings in the above-entitled matter.

DATE: Monday, May 12, 2025



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April Wood Brott, CSR No. 13782